Health Services Impact Committee

Minutes of Meeting of Dec. 7, 2006

Present: Mr. Robert Jepson, Adventist Government and Community Relations, Mr. Jere Stocks, President, Adventist Healthcare; Dr. Wu, Ms. Wessel, Messers Sommers, Grimes, Loveless and Hoeflinger; Ms. George.

Minutes of the previous meeting were approved as read, after correction of the spelling of Dr. Wu's name.

Mr. Stocks spoke at length about Washington Adventist Hospital's concerns and strategic goals. He mentioned the hospital's support for the health center and gymnasium in Takoma Park, and offered to return to future meetings of the committee. He also provided the hospital's website at www.WashingtonAdventistHospital.com.

Referring to the hospital's "Vision for Expanded Access--100 Years", prepared two years ago, Mr. Stocks enumerated seven key goals and objectives including

developing a health care center in the Long Branch community

developing a Center on Health Disparities

continued support for the health center and gymnasium

serving the underserved community in Prince George's and Montgomery counties

providing uncompensated care in excess of the hospital's historic levels

redeveloping a Board of Directors to add diversity

providing a new campus for Washington Adventist Hospital.

Mr. Stocks mentioned the hospital's attempt to work with the community, specifically opposition to construction of a parking lot at Arliss St. and Flower Ave. for the health center, which occasioned the filing of two law suits filed against the county zoning board's interpretation, and Adventist Hospital's $1 million funding to support one of the Mobile Med vans over the next three years. Mr. Stocks stressed the goal of providing service and access to everyone and the desire to provide a high quality delivery system everyone can have access to.

In response to committee members' questions about the hospital's catchment area, Mr. Jepson said the inpatient demographics were approximately 60% Montgomery County, 40% Prince George's County, with a small amount of D.C. admissions. He said that Emergency Department statistics were similar. Mr. Stocks said the hospital had approximately 45,000 E.D. visits annually, with 20-23% resulting in admissions. He also noted that E.D. visits are scored with regard to complexity on a scale of 1-5, and that approximately 75% of these visits do not require hospital-level care. He agreed with the committee's comment that this seemed to indicate the hospital was serving a high proportion of uninsured patients who, lacking primary care physicians, utilized the

hospital's emergency room as an alternative.

In response to Mr. Sommers and Mr. Grimes, Mr. Stocks offered to make available the hospital's Certificate of Need application, and demographic data through Dottie, a staff member.

Returning to the catchment area subject, Mr. Stocks said the primary areas utilizing the hospital include in addition to Takoma Park and Long Branch also Hyattsville, Chillum, D.C., Wheaton, as well as Virginia, especially in Cardiology since the hospital performs approximately 9,000 cardiac procedures yearly, including 650-675 open heart procedures.

He also mentioned Shady Grove Hospital's recent experience since opening its Germantown Emergency Center on August 7, 2006. He said the site is approximately five miles from the hospital,

provides services on a level close to those of a hospital emergency department, and that about three patients are transported daily to the hospital for admission.

Regarding the present location of the hospital, Mr. Stocks said that the intersection of Flower and Carroll was the wrong place for an acute care hospital because of the restricted road access and limited available space. He said of the sixteen acres on site, only thirteen were usable, which was too little space for a hospital that is essentially tertiary. The goals the hospital recognized in its fundamental planning were to provide access, expand safety and improve the health safety net. He remarked that the Maryland Health Care Commission thought a little differently than this committee does, since its concern is primarily whether costs will be added to the state's rate-regulated health care system.

Mr. Stocks said that the basic facts of the hospital's present location will not change, that the present campus' limitations won't support 500 beds, and that the long-term survivability of Washington Adventist Hospital required construction of a new hospital. Rebuilding on the present site is not feasible, he said, because a twelve-story hospital on site is not feasible. The dimensions presented by Carroll and Flower cannot change. The "brutal facts" were that "if the hospital did nothing, it would close over the next ten years." Faced with the burden of the uninsured, poor outpatient access, the massive nursing shortage, community benefits and staff requirements, the long-term viability of the hospital required moving acute care to another location. He said that it might not be necessary to provide all care on a
mega-campus, and that Long Branch was an attempt to offload some services to a separate location. He suggested that the focus of this committee should be to determine what was needed at the present location.

In response to committee comment that expansion would apparently be funded through increased market share and support from the state for uncompensated care. Mr. Stock said the good news is that Maryland is a very wealthy state and has many insured payers to spread costs over. Mr. Jepson added that hospitals' thresholds of uncompensated care are set, and that if hospitals drop below the threshold they must pay the state the difference; this provides a safety net for the county. He also said the hospital has a responsibility beyond donations to provide health care to the uninsured, as expressed in a letter written by Mr. Bill Robertson to Council member Leventhal, which he offered to make available to the committee.

In response to the committee's comment that Holy Cross Hospital's rebuilding had been followed by curtailment of uncompensated care support, Mr. Stocks agreed that Holy Cross had reduced its roll by 700 enrollees in the Montgomery County Maternity Partnership. He also pointed to the difficulties at Prince George's Community Hospital, where a tipping point had been reached such that insurance plans preferred not to contract with the hospital for services due to the perception that the costs of the operating infrastructure were supported by relatively few insured or governmental patients, thus making the hospital relatively more costly to do business with.

In response to Mr. Grimes' question about how uncompensated care thresholds were assessed, and whether off-site uncompensated care would be considered part of Washington Adventist Hospital's assessment, Mr. Stocks answered that the assessments were allotted according to facility license, not physical location.

Mr. Stocks concluded by reiterating his desire to continue to meet with the committee and show the hospital's framework and what it thinks.

After Mr. Stocks and Mr. Jepson departed, the committee continued to meet until 9:00. The committee affirmed that a quorum was 51%, or six members, expressed a need to define what it needed, and set the next meeting for January 11th, 2007 at 7:00.

Respectfully submitted,
Frederick L. Hoeflinger